

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 15, 2011
POSITION: Oppose
SPONSOR: Asian and Pacific Islander Action Network

BILL NUMBER: AB 1088
AUTHOR: M. Eng

BILL SUMMARY: State Agencies: Collection of Demographic Data

NEW BILL SUMMARY

AB 1088 requires four specified state agencies to expand their demographic data collection to include the following Asian and Pacific Islander groups: Bangladeshi, Hmong, Indonesian, Malaysian, Pakistani, Sri Lankan, Taiwanese, Thai, Fijian, and Tongan.

FISCAL SUMMARY

Costs of at least \$336,000, including \$224,000 in General Fund are estimated to be incurred to modify data collection and reporting systems in 2011-12. Ongoing cost of \$54,000 are estimated.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

The bill imposes significant and costly new requirements on state agencies.

There are no apparent uses for this information in implementing state programs.

There is a potential for added confusion for those using these racial and ethnic data, many of which are for small population groups. Data for small groups are often statistically not valid and could mislead policy makers

Analyst/Principal (0715) John Malson	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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ANALYSIS**A. Programmatic Analysis**

This bill requires the departments of Health Care Service, Public Health, Industrial Relations, and Fair Employment and Housing to expand their demographic data collection to include the following Asian and Pacific Islander groups: Bangladeshi, Hmong, Indonesian, Malaysian, Pakistani, Sri Lankan, Taiwanese, Thai, Fijian, and Tongan.

Compliance is required no later than July 1, 2012. AB 1088 also mandates that these departments make the collected data available to the public, in accordance with state and federal law, unless disclosure would violate confidentiality and require them to post and annually update the demographic data on their Internet Web sites.

The 2010 Census race and ethnic questions provide boxes to check and a write-in space for a few race categories. The ethnic question asks if the individual is of Hispanic, Latino, or Spanish origin. For the race question, there are boxes to check for White; Black, African American, or Negro; American Indian or Alaska Native; Asian Indian; Japanese; Chinese; Korean; Filipino; Vietnamese; Native Hawaiian; Guamanian or Chamorro; Samoan; Other Asian; Other Pacific Islander; and Some Other Race. In addition, space is provided under the following categories to write in a tribe or race: American Indian or Alaska Native; Other Asian; Other Pacific Islander; and Some other race. If AB 1088 were enacted, respondents who check the box for one of these categories and then write in a more detailed group that is listed in AB 1088 would be counted in the more detailed group. For example, respondents who checked the box to indicate they, or someone in their household, were Other Asian, and then wrote in the detailed category "Cambodian" would be counted as Cambodian and not as Other Asian. Hand-written responses can cause coding problems: the Census Bureau has spent millions of dollars on specialized equipment and software development to read these types of responses. Despite their investment, the Census Bureau still encounters problems in scanning, accurately retrieving, and reporting these responses. To further complicate matters, these data would have to be suppressed at times to prevent breaching confidentiality.

If AB 1088 were enacted, the fact that hand-written responses may cause a problem in coding is an argument in favor of adding specific boxes. However, in addition to the costs associated with any form modification, other issues exist. The primary argument the Census Bureau uses against adding any questions or expanding responses is lack of space on their forms. Space could be a concern in adding several new boxes to federal forms, but is less likely to be as big an issue on state forms. Another problem is determining where to draw the line in defining and adding categories. If state agencies were to add boxes for the specific groups named in AB 1088, but not the opportunity to write-in another specific response, would it be perceived as unfair to someone who feels that their race is Mongolian, Nepalese, or French Polynesian? Would categories need to be expanded to accommodate other cultures such as subgroups of African American, who are represented by over 50 countries and hundreds of languages?

When race data from the 2010 Census are released, it is expected that the relative size of each of these additional groups compared to the State's total population will remain very small. In 2000 the largest population percentage of any of the proposed groups is the Cambodian, with 0.21% of the State's population. Hmong was selected by 0.19% of the State's population; Taiwanese by 0.18%; Laotian by 0.16%; Thai by 0.11%; Pakistani by 0.06%; Indonesian by 0.05%; Tongan by 0.04%; Sri Lankan or Fijian by 0.02% each; and Bangladeshi, Malaysian by 0.01% each. These figures exclude those who selected multiple racial groups. The race information from the 2010 census found that 13.0% of California's population indicated they were Asian (up from 10.9% in 2000) and 0.4 % indicated they were Native Hawaiian or other Pacific Islander (slightly up from 0.3% in 2000). These percentages are Hispanic inclusive and do not include those who indicated multiple race groups.

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B. Fiscal Analysis

The Department of Industrial Relations said it would be impacted minimally and would not require additional funds.

The Department of Fair Employment and Housing said there would not be an impact.

The Department of Public Health expects an initial staffing cost of \$27,000 to reprogram the Vital Statistics Query System to include the new race/ethnic categories and to modify their State Registrar system to provide the data in web queries, reports, and tables, but not in collecting the data. AB 1088 would require the Office of AIDS (OA) to add specific Asian- and Pacific Islander-associated data collection categories to its data collection, tabulation, and reporting practices. OA collects HIV-related demographic data for the purposes of HIV/AIDS surveillance and for reporting on and evaluating the use of Federal HIV care and treatment and testing and prevention funds. OA uses four separate data systems to collect and manage these data in response to federal reporting requirements. AB 1088 would require additional staff time for reprogramming of data systems and amending regulation for a first year cost of \$85,000 with additional costs in years 2 and 3 (\$64,000).

The Department of Health Care Services estimates that costs associated with AB 1088 would include administrative costs needed to modify the Medi-Cal Eligibility Data System (MEDS) and the Statewide Automated Welfare Systems (SAWS) to include the additional ethnicity collection categories and to post this data and to develop any additional resources needed to analyze, monitor, disseminate, and report these data. The one-time administrative cost of changes to MEDS would total \$39,000, of which \$16,000 would be General Fund. The cost to modify SAWS is estimated to be \$73,000 for Consortium-IV; CALWIN estimates modification costs of between \$87,000 and \$137,000. LEADER did not respond, but is likely to be consistent with these estimates.

Although most of these are one-time fiscal impacts, additional costs may be incurred if the Census Bureau were to increase the number of categories for Asian and Pacific Islander groups.

Common Assumptions

It is assumed that if this legislation were to be enacted, it would not lead to additional requirements such as the development of data in similar categories by agencies that prepare data, but do not collect primary demographic data. If this requirement were added, costs would increase dramatically.

It is assumed that most state agencies would modify forms and programming to incorporate boxes on their forms for the specifically-named groups. If forms were modified for a write-in response, costs would be much higher.

BILL NUMBER

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		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
4260/Hlth Care	SO	No	C	\$90		--		--	0001
4260/Hlth Care	SO	No	C	\$134		--		--	0890
4265/PublicHealth	SO	No	C	\$112	C	\$64	C	\$54	0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0890	Trust Fund, Federal								